



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

December 21, 2000

Ray Brown
Unico, Inc.
P.O. Box 777
Magalia, California 95954

Re: Formal Approval of Notice of Transfer of Silver Bell Mill, S/031/007, and Acceptance of Transitional Surety and Reclamation Contract, Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Brown:

On December 4, 2000, we received the completed Transfer of Notice of Intention Small Mining Operations to transfer the Silver Bell Mill (file number S/031/007) located in the NW1/4 of Section 18, T28S, R3W, Piute County, Utah from Silver Bell Mining Company to Unico, Inc.

The Division Director signed and executed the transfer document on December 20, 2000, which effectively transfers the responsibility of this mining operation and reclamation to you. A copy of the transfer form is enclosed for your files. You are now the official party responsible for all mining and reclamation obligations for this project. By copy of this letter and the executed transfer form, the **Division hereby officially releases Silver Bell Mining Company from any further reclamation responsibilities at the Silver Bell Mill site.**

The mill site will now be combined with the Deer Trail Mine under file number M/031/003. Combining the two project areas, now bring the total project area to approximately 10 acres which requires a reclamation surety bond and a Notice of Intention to Commence Large Mining Operations (LMO). You advised us that you will be submitting a LMO within 60 days.

On December 4, 2000, you provided us with a \$19,000 surety in the form of a Certificate of Deposit (CD) #3106270 issued by First Security Bank and a transitional Reclamation Contract which the CD is tied to. This surety amount will cover the five acre permit area for the mill site. The USFS currently holds a \$24,100 surety for the Deer Trail mine site. The two sureties will provide sufficient reclamation security until the LMO is received and approved. The Division Director accepted the form and amount of the transitional surety. Copies of the CD with cover letter to First Security Bank and the transitional Reclamation Contract are enclosed for your records.

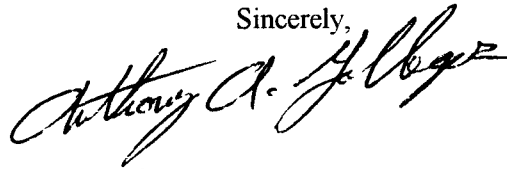
Once we receive the LMO and the detailed mining and reclamation plan, we will be able to calculate a final reclamation surety for the entire project area. The transitional reclamation surety amount and the form of surety will need to be adjusted accordingly to include the USFS and the Division as co-beneficiaries.

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Ray Brown
M/031/003
December 20, 2000

Once we determine the LMO to be technically complete, we will proceed to publish a tentative approval notice in the Salt Lake and Piute County newspapers which begins a 30-day public comment period. If no adverse comments are received, then final Division approval can be issued. Prior to issuing our final approval, a final Reclamation Contract and reclamation surety will need to be received.

Thank you for your help in finalizing this permitting action. If you have any questions regarding this letter, please contact me at (801) 538-5286 or Lynn Kunzler at 538-5310.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

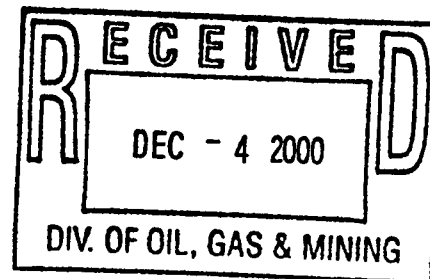
jb
Enclosure: #1 Executed SMO Transfer
 #2 Copy of Executed Transition MR-RC & CD
cc: Dan Proctor, Silver Bell Mining w/encl #1
 Steve Winslow, USFS w/encl #1 & #2
M31-03-transfer

UTAH STATE DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

UTAH MINED LAND RECLAMATION ACT
Chapter 8, Title 40
Utah code Annotated
Amended 1987

TRANSFER OF NOTICE OF INTENTION
SMALL MINING OPERATIONS



SMALL MINING OPERATION

Name of Claim/Mine: Silver Bell Mill

File Number as Assigned by DOGM (Original Notice): S / 031 / 007

Legal Description (Location of Lands Affected):

<u>NW</u>	<u>18</u>	<u>28 S</u>	<u>03 W</u>	<u>Piute</u>
<u>1/4 1/4 1/4</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
<u>1/4 1/4 1/4</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>

Attach a topographic map (labeled as Appendix "A") of suitable scale (max. scale, 1 inch = 200 ft., 1 inch = 100 ft. preferred) which clearly outlines the existing disturbed area boundaries affected by the small mining operation through the date of this transfer.

CURRENT OPERATOR (Transferor)

Name of Company/Operator: Silver Bell Mining Co., Inc.

Address: 951 East 830 South

City: Pleasant Grove State: UT Zip Code: 84062

Telephone Number: (801) 785-0115

Signature: [Signature]

Name (Type or Print) W Dan Proctor

Title/Position: President

Date: 12-4-2000

I hereby transfer the notice of intention and the reclamation obligation for the aforementioned small mining operation to:

NEW OPERATOR (Transferee)

Name of Company/Operator: Unico, Inc.

Address: P.O. Box 777

City: Magalia State: CA Zip Code: 95954

Telephone Number: (530) 873-4394

I hereby commit to conduct mining operations and to reclaim the aforementioned small mining operation as required by the Utah Mined Land Reclamation Act (40-8) and Minerals Rules R647-3 et seq. as promulgated and approved by the Board of Oil, Gas and Mining.

Ray C Brown

Signature (New Operator)

Ray C Brown

Name (Type or Print)

President

Title/Position

Subscribed and sworn before me this 4th day of December, 2000.

Victoria A. Bailey

Notary Public

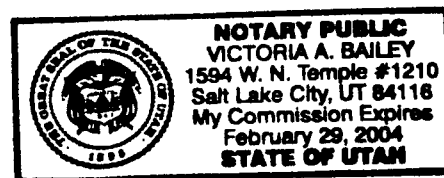
My Commission Expires:

February 29, 2004.

State of Utah)

) ss.

County of Salt Lake)



DIVISION APPROVAL CERTIFICATION

This is to certify that I have examined this application for transfer of the aforementioned small mining operation and do hereby grant approval of the same, subject to the following limitations:

- (a) This transfer of small mining permit grants only the right to affect the lands as legally described in this application.
- (b) The transferee, or such other person as required by UCA 1953, Title 40-8, as amended, has acquired the legal right to enter and mine the lands as described in this application.
- (c) A topographic map of suitable scale is attached (as Appendix "A") which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

COMMENTS:

APPROVED BY:

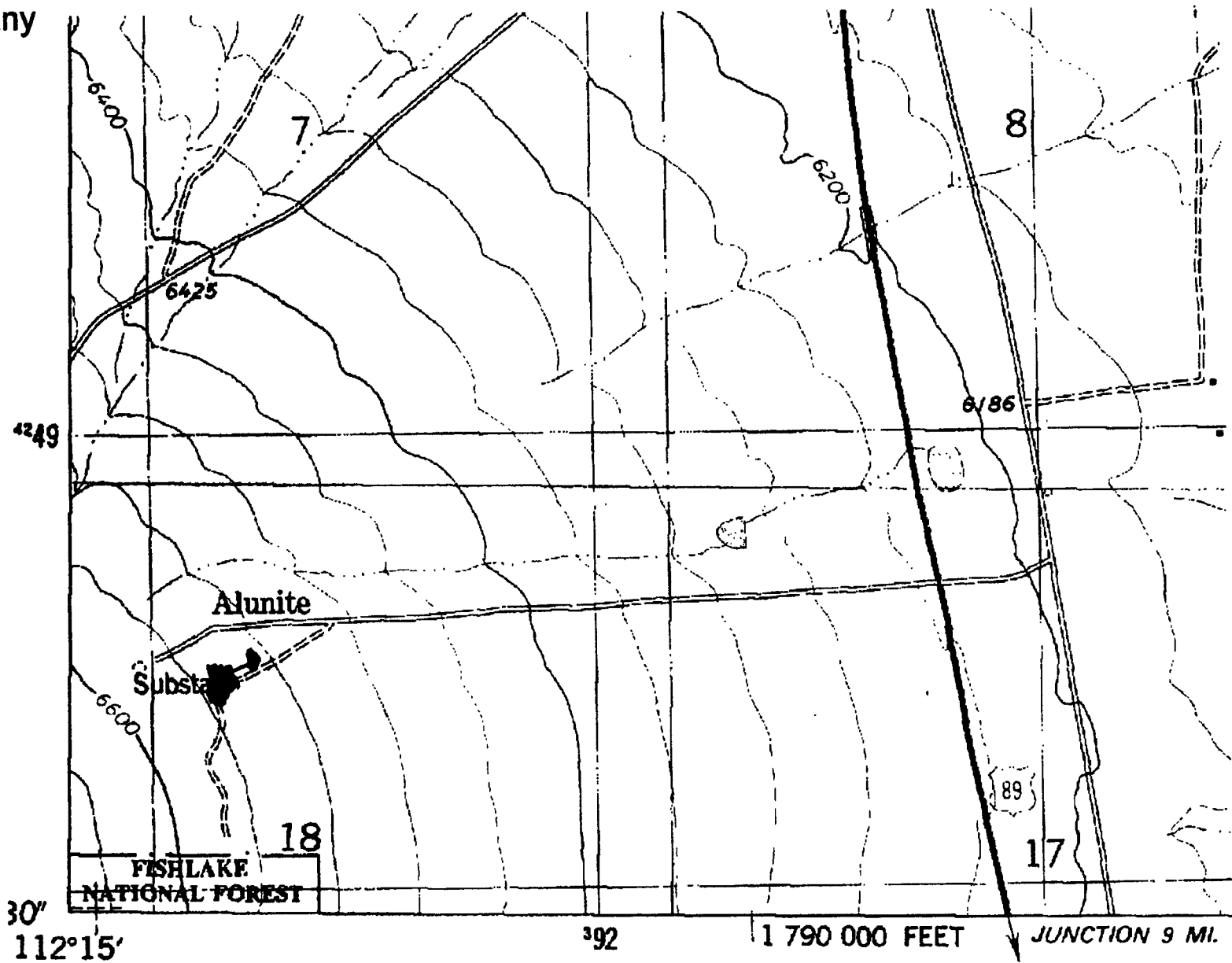
Lowell P. Braxton
Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Effective Date: 12/20/00

Unico Mining Company
Silver Bell Mill
S/031/007

Township 28 South
Range 3 West
NW/4 Section 18
Piute County, Utah

Marysvale Quad



■ Silver Bell Millsite

FISHLAKE
NATIONAL FOREST

Mapped, edited, and published by the Geological Survey

